

# SENATE BILL REPORT

## EHB 1913

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As Reported by Senate Committee On:  
Higher Education, March 28, 2017

**Title:** An act relating to creating a leasehold excise tax exemption for certain leasehold interests in facilities owned or used by schools, colleges, or universities.

**Brief Description:** Creating a leasehold excise tax exemption for certain leasehold interests in facilities owned or used by schools, colleges, or universities.

**Sponsors:** Representatives Dolan, Van Werven and Haler; by request of State Board for Community and Technical Colleges.

**Brief History:** Passed House: 3/07/17, 86-11.

**Committee Activity:** Higher Education: 3/14/17, 3/28/17 [DP-WM].

### Brief Summary of Bill

- Exempts certain leasehold interests on community and technical college campuses from having to pay the leasehold excise tax.

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### SENATE COMMITTEE ON HIGHER EDUCATION

**Majority Report:** Do pass and be referred to Committee on Ways & Means.

Signed by Senators Wilson, Chair; Bailey, Vice Chair; Palumbo, Ranking Minority Member; Frockt.

**Staff:** Clint McCarthy (786-7319)

**Background:** Properties of the state of Washington, counties, school districts, and other municipal corporations are exempted by Article 7, section 1 of the state Constitution from property tax obligations. Lessees of publicly owned property or community centers that are entitled to those same governmental services are subject to a leasehold excise tax to fairly compensate governmental units for services rendered to such lessees of publicly owned property or community centers. Community and technical colleges do not have leasehold interests exemptions from the leasehold excise tax.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

**Summary of Bill:** Leasehold interests in community and technical colleges that provide food services, operate a bookstore, or provide other administrative, maintenance, or operational services are exempted from having to pay the leasehold excise tax.

**Appropriation:** None.

**Fiscal Note:** Available.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony:** PRO: The primary difference between this version of the bill and the one heard in committee earlier this year is that the bill is now targeted to Community and Technical Colleges. This has reduced the fiscal note dramatically.

**Persons Testifying:** PRO: Representative Laurie Dolan, Prime Sponsor; John Boesenberg, State Board for Community and Technical Colleges.

**Persons Signed In To Testify But Not Testifying:** No one.